

WASHOE COUNTY

"Dedicated To Excellence in Public Service"

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COMMITTEE MEMBERS

Commissioner Kitty Jung
Alt. Commissioner Jeanne Herman
Barbara Kinnison
Denise Jacobsen
Randy Brown
Matthew Buehler
County Manager John Slaughter



INTERNAL AUDITOR

Samantha Pierce

AGENDA

WASHOE COUNTY AUDIT COMMITTEE

Caucus Room

1001 E. 9th St., #A205

Thursday, June 6, 2019

2:00 p.m.

We are pleased to make reasonable accommodations for members of the public who are disabled and wish to attend the meetings. If you should require special arrangements for an Audit Committee meeting, please call the Internal Auditor's Office at 399-8988, 24-hours prior to the meeting.

Public Comment will be available and is limited to three minutes per person and for all matters, whether listed on the agenda or not. Additionally, public comment of three minutes per person will be heard during individually numbered items on the agenda. Persons are invited to submit comments in writing on agenda items and/or attend and make comment on that item at the Audit Committee meeting. Persons may not allocate unused time to other speakers. Supporting documentation for the items on the agenda provided to Audit Committee members is available to members of the public at the County Manager's Office (1001 E. 9th Street, Bldg. A, 2nd Floor, Reno, Nevada), Samantha Pierce, Internal Auditor (775) 399-8988.

Pursuant to NRS 241.020, the Agenda for the Audit Committee has been posted at the following locations: Washoe County Administration Building (1001 E. 9th St. Bldg. A), Washoe County Courthouse—Second Judicial District Court (75 Court St.), Washoe County Central-Downtown Library (301 South Center St.), Sparks Justice Court (1675 East Prater Way), Incline Justice Court (865 Tahoe Blvd.), www.washoecounty.us/mgrsoff/internal_audit.html, and <https://notice.nv.gov>.

2:00 p.m.

1. Roll Call
2. Public Comment (comment heard under this item will be limited to three minutes per person and may pertain to matters both on and off the Audit Committee agenda)

3. Introduction of new members and update to the Committee on Board of County Commissioners decision on appointing an alternate member.
4. Approval of minutes for March 7, 2019 meeting (for possible action)
5. Audit Report Update –Samantha Pierce, Internal Audit Manager
 - In Progress:
 1. Cash Controls
 - Up Coming:
 1. Human Services Agency
 - Follow-Up:
 1. Three Year Review of Completed Audits
 - Other:
 1. Treasurer's Office Change and Petty Cash Fund Count FY 2019
 2. Sheriff's Office Change and Petty Cash Fund Count FY 2019
 3. Special Project – CryWolf Shared Revenue Review
 4. May was International Internal Audit Awareness Month
6. Three Year Audit Schedule (for possible action)
7. Items for Board
 - Annual Report
 - Three Year Audit Schedule
8. Calendaring of the fiscal year Audit Committee meetings:
 - September 5, 2019 @ 2:00 PM
 - December 5, 2019 @ 2:00 PM (*)
 - March 5, 2020 @ 2:00 PM
 - June 4, 2020 @ 2:00 PM
9. Audit Committee Member Comments – limited to announcements or issues proposed for future agendas and/or workshops

10. Public Comment (comment heard under this item will be limited to three minutes per person and may pertain to matters both on and off the Audit Committee agenda)

Audit Committee Meeting
Washoe County, Nevada
Thursday, March 7 2019 at 2:00 PM

Voting Members: Barbara Kinnison and Denise Jacobsen and

Non-Voting Member: N/A

Absent: Commissioner Kitty Jung and County Manager John Slaughter

Other Attendees: Samantha Pierce (Internal Audit), Christine Vuletich (Assistant County Manager), Cathy Hill (Comptroller), Cynda Horning (Sparks Justice Court) and Heather Potts (District Court)

Agenda Item 1 - Roll Call

The meeting was called to order at 2:00 PM and Ms. Pierce performed the roll call – those listed above were present.

Agenda Item 2 - Public Comment

No public comment

Agenda Item 3 - Approval of minutes for January 10, 2019 meeting

Denise Jacobsen moved to approve the minutes. Barbara Kinnison seconded the motion, which carried unanimously.

Agenda Item 4 - Discussion of possibly adding members to the committee

Discussion between Ms. Jacobsen and Ms. Kinnison on the qualifications of the members to be added and a questions was raised by Ms. Hill on whether the voting members could attend telephonically. Ms. Vuletich presented the language in the Audit Committee Charter on adding members and the qualifications. The Charter did allow for an alternate from the Board. There was a good response from the prior recruitment therefore that list of people could be used.

Barbara Kinnison moved to get an alternate member from the Board of County Commissioners as well as conduct interviews for the two spots for the community at large members to be added. Denise Jacobsen seconded the motion, which carried unanimously.

Agenda Item 5 – Presentation of the Minimum Accounting Standards Audits for the Washoe County Courts

Samantha Pierce discussed the completed audits which included the minimum accounting standard audit for the Washoe County Courts to include: District Court, Sparks Justice Court, Reno Justice Court, Wadsworth Justice Court and Incline Justice Court. The audit is required to be completed every four years and the Washoe County Courts were

Audit Committee Meeting
Washoe County, Nevada
Thursday, March 7 2019 at 2:00 PM

part of the audits that had to be completed by March 1, 2019. All Washoe County Courts were provided their individual letter of compliance and then they are responsible to send the letter to the Office of the Courts for the State of Nevada.

The following recommendations were presented by Ms. Pierce:

Second Judicial District Court

It was recommended the court update their written procedures to a single comprehensive document which would tie more directly to that set forth by the Administration Office of the Court.

It was recommended the court add verbiage to their payment policy notice that the customer will be provided a receipt if the payment is made in person and only if requested when the payment is made via the mail or if the request involves sending paperwork back to the customer, and finally that the receipt is proof of payment.

It was also recommended, as an immaterial non-compliance, the court update its procedure to issue the white copy of a manual receipt to its customer and retain the carbon copy with its records.

Incline Justice Court

It was recommended the court update their written procedures to appropriately reflect the minimum accountings standards as well as reference numbers to more closely tie to that set forth by the Administration Office of the Court.

It was recommended the court place their payment policy notice in a more conspicuous location to provide the customers with the relevant information as well as add verbiage on the amount of the fee charged for non-sufficient fund returns.

Reno Justice Court

It was recommended the court update their written procedures to a single comprehensive document which would tie more directly to that set forth by the Administration Office of the Court. While working to update their written procedures it was also recommended the court add a procedure directly relating to the handling of counterfeit cash.

It was recommended the court add verbiage to their payment policy notice that the customer will be provided a receipt if the payment is made in person and only if requested when the payment is made via the mail, the receipt is proof of payment, what type of payment is acceptable if the original payment is returned and that proper identification will be required for debit/credit card transactions.

It was recommended the court implement a set amount of cash that would trigger a till to be emptied prior to the close of business.

It was also recommended, as an immaterial non-compliance, the court should add the issuance date of the outstanding checks to its bank reconciliation cover sheet to easily identify any stale dated checks monthly.

Audit Committee Meeting
Washoe County, Nevada
Thursday, March 7 2019 at 2:00 PM

Sparks Justice Court

It was recommended the court update their written procedures to appropriately reflect the minimum accountings standards.

It was recommended the court create a form in-which the employees could sign, acknowledging they had read and understood the policy.

It was recommended the court add verbiage to their payment policy notice that proper identification will be required for debit/credit card transactions.

It was recommended the court establish a monthly log for the inventory of check verification.

It was also recommended, as an immaterial non-compliance, the court should add the issuance date of the outstanding checks to its bank reconciliation cover sheet to easily identify any stale dated checks monthly.

Wadsworth Justice Court

It was recommended the court update their written procedures to appropriately reflect the minimum accountings standards as well as reference numbers to more closely tie to that set forth by the Administration Office of the Court.

It was recommended the court add verbiage to their payment policy notice that a confirmation number will be provided for phone payments, mailed payments will only receive a receipt if requested, the amount the court charges for the non-sufficient fund returns, and that proper identification will be required for debit/credit card transactions.

It was recommended whenever possible at least two staff members should process the mailed payments.

It was recommended the court develop a manual receipts log and inventory those manual receipts quarterly.

It was recommended the court implement a set amount of operating funds that would trigger an unscheduled deposit.

It was recommended the court develop a log to verify the count of the change fund at least monthly.

It was recommended the court develop a log to show the removals and additions of cash to the petty cash fund as well as perform a monthly reconciliation. It was also recommended the court establish a dollar limit that any one purchase would be used for petty cash.

It was recommended the court add a requirement of dual signatures for their check issuance.

It was recommended the court develop a log to verify the inventory of unused checks at least monthly.

It was recommended the court develop a log listing the staff who have keys issued to them and access to the safe.

Audit Committee Meeting
Washoe County, Nevada
Thursday, March 7 2019 at 2:00 PM

Ms. Kinnison asked how long it had been since the previous audit was completed and Ms. Pierce informed the committee it was completed in 2014 and they must be completed every four years. Ms. Pierce also informed the committee members that the previous audits were reviewed as part of this audit and all recommendations from the prior auditor were implemented at the time of the field work for the current audit. Ms. Jacobsen questioned if all the issues at the Wadsworth Court had come up since the prior audit. Ms. Pierce acknowledged that while these recommendation seem to be standard in the internal audit standards the minimum accounting standards that are required by the Office of the Courts for the State of Nevada change and the version for the audit guide are updated on what the audit encompassed. The audit guide that was used for this audit was approved by the Office of the Courts in January of 2018. Ms. Hill stated that with her internal control review, Wadsworth is one of the departments that struggles due to their size. Ms. Jacobsen asked if there was a security officer assigned to the court and Ms. Vuleitch explained the layout of the building in that it was a house converted and all the staff work in one room, the Judge and two clerks (one of which was part time). Ms. Jacobsen was concerned due to the number of recommendations and asked if we should wait another four years to audit them. Ms. Horning stated that she is now assisting them from the Sparks Justice Court location to give them some oversight and additional separation of duties. It was also discussed that the previous internal auditor was performing the bank reconciliations for Wadsworth and that Ms. Pierce is not comfortable performing bank reconciliations as then she would be unable to review them because one cannot audit their own work. Ms. Hill inquired as to the recommendation of the previous audit to close the Wadsworth Justice Court and absorbing those court responsibilities at Sparks Justice Court. Discussion regarding the structure of the courts and the elected officials and how simply making the decision to move a court was outside the scope of the internal audit division. The case management system utilized by the Justice Courts within Washoe County was described to include the types of records for cases as well as financial information.

Ms. Pierce also thanked the City of Reno Internal Auditor who was the second signature on all the reports because the Office of the Courts required the audit to be completed or reviewed by either a CPA or CIA, so Ms. Pierce worked the Emily Kidd who was a CIA to review all her work. All work was shared with Ms. Kidd because she also performed the audit for Reno Municipal as they were on the same schedule as the Washoe County Courts.

Ms. Pierce informed the committee members the tentative dated for the audits to be brought to the Board of County Commissioners was April 9, 2019.

This was a non-action item therefore no motion was given.

Audit Committee Meeting
Washoe County, Nevada
Thursday, March 7 2019 at 2:00 PM

Agenda Item 6 – Audit Update

Mrs. Pierce updated the committee on the upcoming audit of the Human Services Agency. She had already met with the Division Director to talk about the agency, also discussion on what needs to be looked as well as develop a schedule for the audit.

The County-wide Cash Control audit is also in the process of starting. Ms. Pierce had reached out to the Treasurer's Office to get a list of bank accounts, change funds and petty cash funds.

Public Guardian's Office has been put on hold a couple of months because the new Public Guardian has just been appointed.

Mrs. Pierce also updated the committee that she will be looking a previous audits completed be the auditor who retired to see if recommendation have been implemented, starting with the Grants Audit and working with the grants administrator. This will be part of the annual report that goes to the Board of County Commissioners.

Ms. Hill also offered her staff as they perform an internal control assessment of each department each year and if I need any of the written or flow charts to reach out to her.

This was a non-action item therefore no motion was given.

Agenda Item 7 - Items for Board

The only item going to the Board of County Commissioners is the Minimum Accounting Standards audits for the Washoe County Courts.

This was a non-action item therefore no motion was given.

Agenda Item 8 - Calendaring of meetings

The following dates were tentatively scheduled for the audit committee quarterly meetings for the rest of the fiscal year.

This was a non-action item therefore no motion was given.

June 6, 2019 @ 2:00 PM

Agenda Item 9 - Audit Committee Member Comments

Ms. Kinnison asked that if there is a previous audit completed to include that in the packet with the current audit so they can see the prior audit recommendations. Ms. Kinnison

Audit Committee Meeting
Washoe County, Nevada
Thursday, March 7 2019 at 2:00 PM

also asked that the risk matrix be presented when the three-year audit schedule it discussed like it was last year. Ms. Hill suggested an update to the committee on whether the Minimum Accounting Standards Audit on the Washoe County Courts was accepted by the Board of County Commissioners. It was also discussed the committee members were thankful to have the schedule of the audit committee meeting tentative dates ahead of time so they would like to have that on the next meeting for the next fiscal year.

Agenda Item 10 - Public Comment

No public comment

Agenda Item 11 - Adjournment

At 2:45 PM the meeting was adjourned

List of Completed Audits

Fiscal Year	Date to BCC	Audit Name
2019	04/09/19	MAS 2018 Wadsworth Justice Court
2019	04/09/19	MAS 2018 Incline Justice Court
2019	04/09/19	MAS 2018 Second Judicial District Court
2019	04/09/19	MAS 2018 Sparks Justice Court
2019	04/09/19	MAS 2018 Reno Justice Court
2018	01/09/18	Grant Processes Audit 2018
2018	09/26/17	Senior Services Contract Audit
2018	08/08/17	Cash Controls 2017 Audit
2017	05/09/17	Cash Controls 2017 Audit
2017	12/13/16	Travel Expense Audit
2016	07/26/16	Inventory Controls Audit
2016	12/08/15	Workers Compensation Audit
2016	08/25/15	District Attorney's Office Audit

Completed Audit Recommendations

Number	Audit Report	Recommendation	Department or Division
1	Grant Process 2018	County management should perform analysis, in coordination with Technology Services and County department staff, to identify the best option for a grants management system countywide	Grants Administration
2	Grant Process 2018	County management should ensure grant internal controls are revised and comply with COSO's "Internal Control Integrated Framework" and the federal "Green Book"	Grants Administration
3	Grant Process 2018	The County should strengthen enforcement of the requirement for departments to follow County Code to: <ul style="list-style-type: none"> • Submit a Request to Submit a Grant Proposal form for all grant awards, amendments or supplements, and, • Obtain BCC approval prior to accepting a grant award, amendment, or supplement 	Grants Administration
4	Grant Process 2018	VAWA should be contacted to determine if the Contractor line item in the grant can be redirected to pay for a temporary employee.	Grants Administration
5	Grant Process 2018	Once this is approved by VAWA, the department should work with Human Resources and County Budget Division staff to establish a temporary position and the associated cost distribution	Grants Administration
6	Grant Process 2018	The department should then move the FY18 VAWA expenses out of the grant internal order using the independent contractor agreement and be recorded against the Administrative Assessment fees collected	Grants Administration
7	Grant Process 2018	The County should develop an independent contractor agreement specifically for grants	Grants Administration
8	Grant Process 2018	Departments must follow County grant and sole source policies and procedures even if the grantor requires a sole source vendor to be used	Grants Administration
9	Grant Process 2018	County management should require departments to maintain a systematic approach to compiling grant files	Grants Administration
10	Grant Process 2018	Training should be provided as needed regarding the compiling of grant files	Grants Administration
11	Grant Process 2018	SAP should be used to set up report due dates and prompts from the system when reports are due	Grants Administration
12	Grant Process 2018	County departments should file timely reimbursement requests	Grants Administration
13	Grant Process 2018	County departments should perform accurate reviews of sub-recipient annual financial reports	Grants Administration
14	Grant Process 2018	The County grants administrator should provide training on performing pre-award sub recipient risk assessments	Grants Administration

Completed Audit Recommendations

15	Grant Process 2018	County departments should periodically perform on-site review of programs administered by sub-recipients	Grants Administration
16	Grant Process 2018	The County Grants Administrator should consider offering some basic grant training	Grants Administration
17	Grant Process 2018	County management and the Grants Administrator should consider making attendance to grant training mandatory for all key department grant staff	Grants Administration
18	Grant Process 2018	Newly hired staff assigned to work on grants should be required to have introductory grants training	Grants Administration
19	Senior Services Contract Audit	The Human Services Agency should complete and finalize its written policies and procedures for contract/agreement administration	Human Services Agency
20	Cash Control Audit 2017	Ensure petty cash documents, including reimbursement requests, are complete and accurate at Social Services	Human Services Agency
21	Cash Control Audit 2017	Use the SAP petty cash program to administer the petty cash fund for both the Social Services and Senior Services	Human Services Agency
22	Cash Control Audit 2017	Use the SAP petty cash program to prepare its petty cash fund replenishment requests for both Social Services and Senior Services	Human Services Agency
23	Cash Control Audit 2017	Reconcile its petty cash fund at least monthly for both Social Services and Senior Services	Human Services Agency
24	Cash Control Audit 2017	Reimburse the general fund for all "Angel" fund expenses where petty cash was used	Human Services Agency
25	Cash Control Audit 2017	Discontinue using petty cash funds as a loan to the "Angel" fund at Senior Services	Human Services Agency
26	Cash Control Audit 2017	Alternative Sentencing, Senior Services and Social Services should develop and implement a procedure to perform periodic surprise cash counts	Human Services Agency Alternative Sentencing
27	Cash Control Audit 2017	Alternative Sentencing needs to ensure its policies and procedures include clarification of the process for providing receipts for mail-in payments, adding information about credit cards being swiped by the probationer, the performance of periodic surprise cash counts, handing void receipts, and updating the procedures to show payments are entered directly into the Scotia system	Alternative Sentencing
28	Cash Control Audit 2017	The Health District needs to ensure procedures are documented and in place for voiding cash receipts	Health District
29	Cash Control Audit 2017	Senior Services needs complete policies and procedures for the day to day administration of petty cash	Human Services Agency
30	Cash Control Audit 2017	The Sheriff's Office should ensure procedures to void cash receipts are documented	Sheriff's Office

Completed Audit Recommendations

31	Cash Control Audit 2017	Social Services needs to revise the written procedures to include using a spreadsheet to account for additions and disbursements to the petty cash fund, using a spreadsheet to reconcile the fund and request replenishments, and require the petty cash fund to be reconciled at least monthly	Human Services Agency
32	Cash Control Audit 2017	The Community Services Department should purchase an automated camping fee kiosk for Davis Creek Campground	Community Services Department
33	Cash Control Audit 2017	County staff should analyze their Accela priorities and should consider moving any cash handling issues to a higher priority	Departments utilizing Accela
34	Cash Control Audit 2017	County departments should not issue permits without receiving and recording a payment in the Accela system	Departments utilizing Accela
35	Travel Expense Audit	County management should stress the importance of complying with County Code Travel Regulations	All
36	Travel Expense Audit	County management should remind employees that travel expenses claims are due 30 days after returning from travel, particularly in instances where a travel advance is given	All
37	Travel Expense Audit	County departments should ensure employee travel claims comply with per diem and incidental cost requirements	All
38	Travel Expense Audit	County departments should track all advances on a trip log	All
39	Travel Expense Audit	The County departments and the Comptroller's Office should ensure all cash advance dollar amounts are in accordance with County Code	All
40	Travel Expense Audit	No travel advances should be given less than \$40	All
41	Travel Expense Audit	County management should consider increasing the \$40 limit to ensure costs of issuing advance checks are covered	All
42	Travel Expense Audit	County departments should comply with policies and procedures related to the use of ProCards for travel	All
43	Travel Expense Audit	County management should provide guidance to the Comptroller's Office Purchasing Division on what types of travel expenses should be acceptable for ProCards	All
44	Travel Expense Audit	Once guidance is received, County ProCard policies and procedures related to travel should be revised accordingly	All
45	Travel Expense Audit	County departments should be notified of any changes to the ProCard policies and procedures related to travel	All

Completed Audit Recommendations

46	Inventory Controls Audit	County management needs to emphasize the importance of accounting for inventory	All
47	Inventory Controls Audit	Departments need to perform an annual inspection to ensure inventory items are recorded correctly in SAP	All
48	Inventory Controls Audit	The Purchasing Division should follow its procedures requiring it to efficiently manage all county property, including redistribution, sale and disposal of excess property	Comptroller
49	Inventory Controls Audit	Duplicate items identified as part of the audit should be removed from SAP	All
50	Inventory Controls Audit	Fire Services needs to perform an inventory of the storage container at the Gerlach Volunteer Fire Station and evaluate equipment items for usefulness	Fire Services
51	Inventory Controls Audit	Fire Services needs to add the new swamp cooler at the Red Rock Volunteer Fire Station to SAP Inventory	Fire Services
52	Inventory Controls Audit	Fire Services should perform a full inventory at the Red Rock Volunteer Fire Station and involve fire staff and Red Rock volunteer staff to properly identify pieces of equipment	Fire Services
53	Inventory Controls Audit	Bowers Mansion antiques should be recorded in SAP	Community Services Division
54	Inventory Controls Audit	Develop and implement a policy requiring personal and County mobile devices to have AirWatch installed in order to access the County network	Technology Services
55	Inventory Controls Audit	Require County departments to follow the mobile device purchase process shown in Exhibit II, which requires all mobile devices be purchased in coordination with Technology Services	Technology Services
56	Inventory Controls Audit	Consider prohibiting the purchase of mobile devices using a procurement card	Technology Services
57	Inventory Controls Audit	Require County departments to develop a list of existing County smart phones and tablets and submit it to Technology Services for input to SAP inventory	Technology Services
58	Inventory Controls Audit	Require County employees using their personal smart phones to access County email to have AirWatch added	Technology Services
59	Inventory Controls Audit	Perform analysis to identify how to fully protect County data during times when VPN is used and still maintain productivity	Technology Services
60	Inventory Controls Audit	Update information Technology Security policies and procedures with specific direction regarding which types of devices are allowable for VPN	Technology Services
61	Inventory Controls Audit	The Community Services Department should ensure: <ul style="list-style-type: none"> • Vehicles purchases are recorded in SAP as inventory 	Community Services Division

Completed Audit Recommendations

		<ul style="list-style-type: none"> • Vehicle VIN numbers are corrected in SAP as needed • Vehicles that have been disposed of are removed from SAP • Existing vehicles that were not found in SAP, are added to the SAP system • Existing vehicles found in SAP but not the Flagship software are added to Flagship, • Work with the Internal Audit Division to perform an annual comparison between the data reported in SAP and the vehicle data in Flagship 	
62	Inventory Controls Audit	The County Purchasing Division needs to remove the 17 items of equipment in SAP showing assigned to the Cooperative Extension Service	Comptroller
63	Inventory Controls Audit	The County Purchasing Division and Community Services need to work together to remove County equipment from 5305 Mill St and 5205 Mill St.	Comptroller Community Services Division
64	Inventory Controls Audit	The County Purchasing Division and Community Services should perform analysis to verify whether this equipment is surplus or not, and update SAP as necessary	Comptroller Community Services Division
65	Inventory Controls Audit	The Comptroller's Office should ensure the SAP fixed asset report for vehicle depreciation includes all depreciable vehicles and is accurate	Comptroller
66	Workers Compensation Audit	County management should consider performing additional outreach to County employees regarding wellness resources available	All
67	Workers Compensation Audit	Human Resources Department should Remind all supervisors and department management that County Code requires the Workers' Compensation claim paperwork (C-1, C-3, and Supervisors Report) be sent to the Risk Management Division as soon as practicable but no later than five days after the date of injury	Human Resources
68	Workers Compensation Audit	Human Resources Department should Work with the Safety Committee to identify the best way to inform employees and supervisors of the rules regarding time recording when injured	Human Resources
69	Workers Compensation Audit	Human Resources Department should Provide workers' compensation time recording rules to the departmental HR representatives	Human Resources
70	Workers Compensation Audit	Human Resources Department should Update the "quick" reference sheet with pertinent claim and time recording requirements for employees, supervisors, department managemen4 and HR representatives,	Human Resources

Completed Audit Recommendations

71	Workers Compensation Audit	Human Resources Department should In coordination with County management, the Safety Committee, and County Human Resources Department, update written procedures for workers' compensation practices for all County departments to follow in handling workers' compensation claims and time recording so all County claims are administered consistently	Human Resources
72	Workers Compensation Audit	Human Resources Department should Ensure consistency in administration of claims where employees receive permanent restrictions	Human Resources
73	Workers Compensation Audit	County management should continue moving forward to fill the Comptroller position	Human Resources
74	Workers Compensation Audit	The County should require the workers' compensation program third party administrator, CCMSI, to submit copies of their SSAE 16 reports when issued	Comptroller Human Resources
75	Workers Compensation Audit	Workers' Compensation staff should Continue to work with the County Technology Services Department staff to identify the best system to provide the required data	Comptroller
76	Workers Compensation Audit	Workers' Compensation staff should Implement an automated method for recording workers' compensation claim data	Comptroller
77	Workers Compensation Audit	Workers' Compensation staff should Review the workers' compensation and safety committee intranet pages and work with the Risk Management staff, the Safety Committee and Technology Services to make workers' compensation and safety information more easily accessible by County employees	Comptroller
78	Workers Compensation Audit	Workers' Compensation staff should Send a countywide email to notify employees of how to locate workers' compensation and safety information on the County intranet	Comptroller
79	Workers Compensation Audit	Workers' Compensation staff should Continue to promote the website during new employee orientations, safety training, and to department representatives as opportunities present themselves	Comptroller
80	District Attorney's Office Audit	The Fraud Check Unit reviews and approves deposits and documentation exists evidencing this review and approval	District Attorney's Office
81	District Attorney's Office Audit	All firearm inventory is recorded in SAP	District Attorney's Office

Completed Audit Recommendations

82	District Attorney's Office Audit	Firearms disposed of are removed from SAP	District Attorney's Office
83	District Attorney's Office Audit	The Investigations Division maintains a list of the firearms it is responsible for	District Attorney's Office
84	District Attorney's Office Audit	The Range Master maintains a list of weapon assignments	District Attorney's Office
85	District Attorney's Office Audit	Supplemental employee recognition fund monies are removed from the County safe and stored away from County monies	District Attorney's Office
86	District Attorney's Office Audit	Best practices are followed in administering the supplemental employee recognition fund	District Attorney's Office
87	District Attorney's Office Audit	Restitution monies given to the DA's Office are donated as appropriate	District Attorney's Office
88	District Attorney's Office Audit	Policies and procedures are developed and documented for the Investigations Division administrative functions	District Attorney's Office
89	District Attorney's Office Audit	The District Attorney's Office should consider adding another CPS Unit	District Attorney's Office
90	District Attorney's Office Audit	Work with County management to identify a permanent funding source to fund these positions	District Attorney's Office
91	District Attorney's Office Audit	The District Attorney's Office needs to ensure the roles pertaining to processing witness checks in JustWare do not allow staff to change witness names and addresses	District Attorney's Office
92	District Attorney's Office Audit	The Fraud Check Unit should Maintain a list of the restitution payment checks returned by the post office	District Attorney's Office
93	District Attorney's Office Audit	The Fraud Check Unit should Perform and document the good faith effort performed to locate the payee of a restitution payment check when returned	District Attorney's Office
94	District Attorney's Office Audit	The Fraud Check Unit should Void returned restitution payment checks that are stale dated in JustWare and transfer the funds to the DA Office's victim fund as applicable	District Attorney's Office
95	District Attorney's Office Audit	The Fraud Check Unit should Notate "void" on the physical copy of each stale dated check being voided in JustWare, including stop payments	District Attorney's Office
96	District Attorney's Office Audit	The Fraud Check Unit should Obtain and document supervisor approval for each voided check	District Attorney's Office

Completed Audit Recommendations

97	District Attorney's Office Audit	The Fraud Check Unit should Perform and document the good faith effort to contact payees on restitution payment checks that have been outstanding for three months or more	District Attorney's Office
98	District Attorney's Office Audit	Victim Fund policies and procedures are developed including the types of expenditures allowed as well as requiring documentation showing how these expenditures support a victim(s) of crime	District Attorney's Office
99	District Attorney's Office Audit	All victim fund expenditures are reviewed and approved by the Supervising Investigator or the District Attorney, and documented on the expenditure request form	District Attorney's Office
100	District Attorney's Office Audit	The victim fund only includes revenues from restitution monies collected where the payee cannot be located and donations of witness fees	District Attorney's Office
101	District Attorney's Office Audit	Victim fund expenditures are used to compensate victims of crime	District Attorney's Office
102	District Attorney's Office Audit	The victim fund is reimbursed for the \$20.76 shortfall from the 2013 holiday event and not used in the future for these types of expenses	District Attorney's Office
103	District Attorney's Office Audit	The DA's Office should work to make various enhancements to JustWare to help staff more effectively and efficiently manage their cases and work assignments	District Attorney's Office

Current Three Year Audit Schedule

Fiscal Year Ending 06/30/2019	Fiscal Year Ending 06/30/2020	Fiscal Year Ending 06/30/2021
MAS Court Audits	Sheriff's Fees	Disaster Recovery
Human Services Agency	Facilities Maintenance	Telephone Expense
Public Guardian's Office	Parks Revenue	Debt Service Fund
Cash Controls	Public Administrator's Office	Utility Billing
	District Attorney's Office	

Proposed Three Year Audit Schedule

Fiscal Year Ending 06/30/2020	Fiscal Year Ending 06/30/2021	Fiscal Year Ending 06/30/2022
<i>Cash Control Audit</i>	<i>Parks Revenue</i>	<i>Disaster Recovery</i>
<i>Human Services Agency</i>	<i>Facilities Maintenance</i>	<i>Telephone Expense</i>
<i>Public Guardian's Office</i>	<i>Utility Billing</i>	<i>Debt Service Fund</i>
<i>Public Administrator's Office</i>		

Risk Matrix

Funtion or Department	Inherent	Control	Detection	Audit	<100	101<>200	>200
					Low	Medium	High
Cash Controls	5.57	8	6	267.36			X
Health Benefits Fund	6.29	8	4	201.28			X
Inventory Control	4.29	8	6	205.92			X
Sheriff Commissary Fund	6.29	7	6	264.18			X
Sierra Fire Protection District	6.29	7	5	220.00			X
Travel Expense	4.29	8	8	274.56			X
Truckee Meadows Fire Protection District	6.29	7	6	264.18			X
Workers' Compensation	6.71	6	6	241.56			X
Accounts Payable	5.71	5	4	114.20		X	
Accounts Receivable	5.00	4	6	120.00		X	
Animal Services	5.29	6	4	126.96		X	
Banking Agreements	6.14	5	4	122.80		X	
Building & Safety Permits	5.57	5	4	111.40		X	
Business Licenses	5.43	6	4	130.32		X	
Capital Projects Contracts	7.00	6	4	168.00		X	
Cell Phone Usage	4.86	6	5	145.80		X	
Collections	5.29	6	4	126.96		X	
Commodity Contracts	4.29	4	4	68.64	X		
Community Services	6.14	6	5	184.20		X	
Contracted Services	6.00	6	5	180.00		X	
Coroner's Office	3.86	5	5	96.50	X		
Required Court Minimum Accounting Stds.	4.00	5	4	80.00	X		
Debt Service Fund	6.57	2	4	52.56	X		
Disaster Recovery	5.14	5	5	128.50		X	
District Attorney's Office	4.29	8	5	171.60		X	
E-911	4.29	5	4	85.80	X		
E-Commerce	4.71	8	4	150.72		X	
Emergency Management	5.86	8	4	187.52		X	
Employee Expense Reports	4.14	8	6	198.72		X	
Equipment Utilization/Service	4.71	6	6	169.56		X	
Escheat Procedures	4.00	4	2	32.00	X		
Extended Working Hours	4.71	6	6	169.56		X	
Facilities Maintenance	5.29	6	6	190.44		X	
Fleet Maintenance	5.00	6	6	180.00		X	
Golf Course Fund	5.14	8	4	164.48		X	
Grants Administration	5.14	6	4	123.36		X	
Health Fund	5.14	8	4	164.48		X	
Human Resources	6.71	6	4	161.04		X	
Information Technology	7.00	6	4	168.00		X	
Infrastructure Preservation	5.43	6	4	130.32		X	
Insurance	6.14	6	4	147.36		X	
Interlocal Agreements	4.14	6	6	149.04		X	
Investments	6.86	6	4	164.64		X	
Library Expenditures	3.14	6	4	75.36	X		
Outsourced Services	5.29	6	6	190.44		X	
Park Revenues	5.43	6	4	130.32		X	
Payroll	5.29	6	4	126.96		X	
Policies and Procedures	4.57	6	6	164.52		X	
Procurement Cards	5.00	6	6	180.00		X	
Purchasing	4.71	6	4	113.04		X	
Public Guardian Property Controls	4.71	6	4	113.04		X	
Records Management	4.00	6	4	96.00	X		
Security Management	5.00	6	4	120.00		X	
Senior Services Contracts	4.57	6	6	164.52		X	
Sheriff Office Fees	5.29	6	6	190.44		X	
Sheriff & DA Evidence	6.29	5	6	188.70		X	
Supply Controls	4.29	6	4	102.96		X	
Telephone Expense	3.71	4	6	89.04	X		
Utility Billing	4.71	6	4	113.04		X	
Utility Charges	4.57	6	4	109.68		X	
Water Resources Fund	5.86	4	6	140.64		X	
Wire Transfers	5.29	4	4	84.64	X		

****Inherent Risk Factors Include:** Liability Exposure, Fraud Sensitivity, Operational Complexity, Compliance Sensitivity, Legal Sensitivity, Asset Value, Impact on Management

****Audit Risk:** Inherent Risk x Control Risk x Detection Risk

Annual Report

Section 15.569.4 of the Washoe County Code requires the Internal Auditor to submit an annual report to the Board of County Commissioners each fiscal year indicating the audits completed with the findings and recommendations. Also required is whether or not the corrective actions have been taken or if the areas of concern are still outstanding.

The following audits were submitted to the Board of County Commissioners during the fiscal year ending June 30, 2019:

- Minimum Accounting Standards Audit for Second Judicial District Court
- Minimum Accounting Standards Audit for Reno Justice Court
- Minimum Accounting Standards Audit for Sparks Justice Court
- Minimum Accounting Standards Audit for Incline Justice Court
- Minimum Accounting Standards Audit for Wadsworth Justice Court

The summarized listing of recommendations is in the chart to the right while each individual court has a pie chart below with the items implemented in green and the in progress items in blue. Attachment A has a detailed listing of each recommendation.

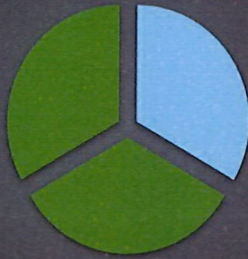
Sparks Justice Court has implemented all recommended corrections from the audit. Second Judicial District Court and Incline Justice Court have one outstanding item from the recommendations which is the updates to their written procedures. It should be noted the courts do have additional time to update their written procedures as the individual courts must submit to the Office of the Court their updated procedures by March of 2021. Reno Justice Court and Wadsworth Justice Court are also working on their updated procedures. Reno Justice Court has one other outstanding recommendation and that is the

Type of Recommendation	Courts
Update Written Procedures	All Courts
Update Posted Payment to Customers	All Courts
Manual Receipts Procedure Update	Second Judicial District Court
Till Amount to Trigger Remove of Funds	Reno Justice Court
Date of Checks Added to Bank Reconciliation	Reno Justice Court Sparks Justice Court
Employee Sign-Off on Procedures	Sparks Justice Court
Additional Logs	Sparks Justice Court Wadsworth Justice Court
Mailed Payment Procedure Update	Wadsworth Justice Court
Cash on Hand to Trigger Bank Deposit	Wadsworth Justice Court
Dual Signatures For Checks	Wadsworth Justice Court

Annual Report

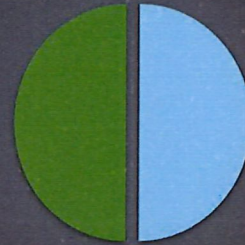
implementation of an amount that would trigger the emptying of a cash register till if that amount of cash was collected before the end of shift. Wadsworth Justice Court has additional **XX** outstanding recommendations due to a turnover in a clerk position.

District Court



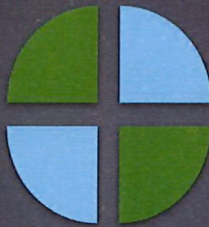
■ Procedures ■ Posted Payment Policy ■ Manual Receipts

Incline



■ Procedures ■ Posted Payment Policy

Reno



■ Procedures ■ Posted Payment Policy
■ Till Max Amount ■ Bank Rec Addition

Sparks



■ Procedures ■ Posted Payment Policy ■ Employee Signoff
■ Bank Rec Addition ■ Log for Checks

Wadsworth



■ Procedures ■ Posted Payment Policy
■ Mailed Payments ■ Logs (4)
■ Max Cash on Hand ■ Dual signatures on checks

Attachment A

Second Judicial District Court

It was recommended the court update their written procedures to a single comprehensive document which would tie more directly to that set forth by the Administration Office of the Court.

It was recommended the court add verbiage to their payment policy notice that the customer will be provided a receipt if the payment is made in person and only if requested when the payment is made via the mail or if the request involves sending paperwork back to the customer, and finally that the receipt is proof of payment.

It was also recommended, as an immaterial non-compliance, the court update its procedure to issue the white copy of a manual receipt to its customer and retain the carbon copy with its records.

Incline Justice Court

It was recommended the court update their written procedures to appropriately reflect the minimum accountings standards as well as reference numbers to more closely tie to that set forth by the Administration Office of the Court.

It was recommended the court place their payment policy notice in a more conspicuous location to provide the customers with the relevant information as well as add verbiage on the amount of the fee charged for non-sufficient fund returns.

Reno Justice Court

It was recommended the court update their written procedures to a single comprehensive document which would tie more directly to that set forth by the Administration Office of the Court. While working to update their written procedures it was also recommended the court add a procedure directly relating to the handling of counterfeit cash.

It was recommended the court add verbiage to their payment policy notice that the customer will be provided a receipt if the payment is made in person and only if requested when the payment is made via the mail, the receipt is proof of payment, what type of payment is acceptable if the original payment is returned and that proper identification will be required for debit/credit card transactions.

It was recommended the court implement a set amount of cash that would trigger a till to be emptied prior to the close of business.

It was also recommended, as an immaterial non-compliance, the court should add the issuance date of the outstanding checks to its bank reconciliation cover sheet to easily identify any stale dated checks monthly.

Sparks Justice Court

It was recommended the court update their written procedures to appropriately reflect the minimum accountings standards.

It was recommended the court create a form in-which the employees could sign, acknowledging they had read and understood the policy.

It was recommended the court add verbiage to their payment policy notice that proper identification will be required for debit/credit card transactions.

It was recommended the court establish a monthly log for the inventory of check verification.

It was also recommended, as an immaterial non-compliance, the court should add the issuance date of the outstanding checks to its bank reconciliation cover sheet to easily identify any stale dated checks monthly.

Attachment A

Wadsworth Justice Court

It was recommended the court update their written procedures to appropriately reflect the minimum accountings standards as well as reference numbers to more closely tie to that set forth by the Administration Office of the Court.

It was recommended the court add verbiage to their payment policy notice that a confirmation number will be provided for phone payments, mailed payments will only receive a receipt if requested, the amount the court charges for the non-sufficient fund returns, and that proper identification will be required for debit/credit card transactions.

It was recommended whenever possible at least two staff members should process the mailed payments.

It was recommended the court develop a manual receipts log and inventory those manual receipts quarterly.

It was recommended the court implement a set amount of operating funds that would trigger an unscheduled deposit.

It was recommended the court develop a log to verify the count of the change fund at least monthly.

It was recommended the court develop a log to show the removals and additions of cash to the petty cash fund as well as perform a monthly reconciliation. It was also recommended the court establish a dollar limit that any one purchase would be used for petty cash.

It was recommended the court add a requirement of dual signatures for their check issuance.

It was recommended the court develop a log to verify the inventory of unused checks at least monthly.

It was recommended the court develop a log listing the staff who have keys issued to them and access to the safe.